

# Oct. Cattle On Feed Number Second Highest Since Oct. 2006



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## outlook

**U**SDA's October cattle on feed report said that placements in September were down 18.8 percent and marketings were down 11.5 percent compared to a year ago. There were two fewer slaughter days this September than last. The number of cattle in large feedlots at the start of October was down 2.6 percent. Although down from last year, the on-feed number is the second highest for October since 2006. The trade had predicted the on-feed number would be down 2.2 percent.

The average price of choice beef in grocery stores during September was \$4.941 per pound. That was down 0.4 cents from August, up 2.7 cents from September 2011, and above year-earlier for the 31st consecutive month. The average price of slaughter steers during September was \$125.10/cwt, up \$4.80 from the month before and up \$7.60 from a year earlier.

Retail beef demand during August was up 1.5 percent compared to a year ago. Thus far in 2012, April is the only down month for domestic beef demand. Export demand for U.S. beef was down 14.4 percent in August. Export demand has been down every month this year. Fed cattle demand was down 2.2 percent in August.

Fed cattle prices were higher this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$124.72/cwt, up \$1.64 from last week and up

\$3.98 from the same week last year. Steer prices on a dressed basis averaged \$195.25/cwt this week, up \$3.19 from a week ago and up \$4.65 from a year ago.

Beef carcass cutout values were higher this week. On Friday morning, choice boxed beef carcass cutout value was \$196.80/cwt, up \$5.35 from last Friday and up \$12.80 from a year ago. This week select carcass cutout was up \$2.90 from the previous week to \$180.37/cwt. The choice-select spread is \$16.43/cwt, the widest since July 6.

Cattle slaughter totaled 634,000 head this week, up 0.5 percent from the week before, but down 3.2 percent from the same week last year. The average steer dressed weight for the week ending October 6 was 880 pounds, up 7 pounds from the week before and up 22 pounds from a year ago. This was the 39th consecutive week steer weights have been above the year-earlier level. Year-to-date cattle slaughter is down 4.1 percent.

Oklahoma City auction cattle prices were steady to \$2 higher this week. Prices for medium and large frame #1 steers: 400-450# \$173-\$196, 450-500# \$167-\$195, 500-550# \$154-\$171, 550-600# \$140-\$161, 600-650# \$142.50-\$154.25, 650-700# \$134-\$151, 700-750# \$133-\$149.85, 750-800# \$128-\$147.10, 800-900# \$131-\$143.25, and 900-1000# \$129/cwt.

The October live cattle futures contract settled at \$126.30/cwt, up \$2.40 from the previous Friday. December cattle closed at \$127.27/cwt, up \$1.77 for the week. February fed cattle contracts settled at \$131.00/cwt. October feeder cattle futures ended the week at \$146.15/cwt, \$4.05 higher than last Friday.  $\Delta$

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